



For Immediate Release

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Northwest Tri-County Intermediate Unit Saves \$40,000 Using Reverse Auction to Purchase Copier Paper for Member School Districts

Edinboro, PA – May 25, 2007 – The North West Tri-County Intermediate Unit (IU-5) recently used an Internet-based reverse auction hosted by eDynaQuote to purchase copier paper for its member schools. Within one hour, IU 5 had saved over \$40,000 for its participating school districts. eDynaQuote is a provider of Internet-based competitive bidding services headquartered in Erie.

“Part of the mission of an Intermediate Unit is to help member school districts save money by coordinating purchasing of commonly used products. We had never tried the Internet-based reverse auction before and, frankly, we did not know what to expect,” said Paula Varee, IU-5 Director of Financial Services. “We were exceptionally pleased with the savings, as well as with how easy the entire process was.”

An Internet-based reverse auction is a real-time online competitive bidding event in which bidders compete to sell the requested product or service to the buying organization. The process enables bidders to know immediately where their bids rank, and to alter their bids immediately if they choose. In the IU-5 auction, two companies participated, and a total of 32 bids were submitted before the auction ended. With each bid, a company lowered its price from the previous lowest bid.

Prior to the auction, IU-5 passed a resolution authorizing use of competitive electronic auction bidding (reverse auction), then issued and advertised the bid notices in the usual manner. The bid specifications and other relevant information were posted on the eDynaQuote website. Normally a government unit must make paper copies of bid specifications and mail them to interested bidders. Using the Internet eliminates the need for paper copies.

Because all of the bid information was posted on the Internet, bidders had easy access to the information they needed to formulate a bid. And instead of submitting sealed bids on paper, they simply registered with eDynaQuote and signed in to the secure site on the announced day and time of the auction.

With a non-electronic sealed bid process, the bids are opened on a designated day at a specific time, and the low bidder is announced. Vendors do not have an opportunity to submit new, lower bids. The reverse auction process, however, allows vendors to know immediately where their bids fit with respect to their competition, and they can then lower their bids accordingly.

The ability of Pennsylvania local government units – municipalities, school districts, councils of government, authorities, etc. – to use the Internet in the competitive bidding process was made possible by the passage last summer of the Local Government Unit Electronic Bidding Act, PA Act 88 2006. The act allows Pennsylvania local government units to use the Internet in their competitive bidding process and take advantage of the significant potential for saving time and money.

eDynaQuote was created by the Center for eBusiness and Advanced Information Technology (eBizITPA), a Pennsylvania resource initiative begun in 2002. For additional information, visit <http://www.edynaquote.com>.